United Nations A/C.5/56/SR.13

General Assembly
Fifty-sixth session

Official Records

Distr.: General
23 November 2001
English
Original: French

Fifth Committee

Summary record of the 13th meeting
Held at Headquarters, New York, on Thursday, 18 October 2001, at 10 a.m.

Chairman Mr. Effah-Apenteng (Ghana)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 125: Scale of assessments for the apportionment of the expenses of the United Nations *(continued)*

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

01-58735 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 125: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/56/11 and Add.1)

1. **Mr. Ali Hashim** (United Arab Emirates) said that 10 years of financial instability and budget deficits had had repercussions on the work of United Nations bodies, particularly with respect to development programmes and, above all, on behalf of the developing countries and the least developed countries. It should be no secret that the cause was not the method of apportioning expenses, but the fact that some countries did not pay their contributions in full and continued to accumulate ever more arrears.

2. His delegation was unhappy with the revision of the scale of assessments, which had resulted in unwarranted increases in the rates of assessment of the United Arab Emirates and of the developing countries but would not achieve its intended purpose unless all countries, particularly those which were assessed large contributions, paid them on time. The problem would not be solved by penalizing the developing countries, and the economic and political situations of countries should be taken into account when the next scales were adopted.

3. As for internal borrowing, it was a bad practice that would not solve the real problem and would harm peacekeeping operations and development programmes. It was crucial that Member States should pay their contributions on time and pay off their arrears.

4. **Mr. Valdivieso** (Colombia) said that his delegation fully supported the statements made on behalf of the Rio Group and the Group of 77 and China.

5. One year earlier, the Fifth Committee had been embarking on intensive negotiations on an issue that was always much debated, in conditions that were all the more difficult because the negotiations had been prompted by decisions taken outside the Organization. They had resulted in a regular budget scale of assessments that was supposed to place the United Nations on a sounder financial footing and a scale of assessments for the financing of peacekeeping operations that had not previously existed. Both scales demonstrated the commitment of the developing countries to the United Nations, since the assessments of countries which belonged to what might be called the "middle class" of Member States, which included the countries of the Rio Group, had increased considerably. In agreeing to increase their outlay and to shoulder more responsibility, those countries had hoped at the least that their needs would be taken more fully into account.

6. If the procedures for the application of Article 19 were entirely consistent with the rules governing the Organization, as the Office of Legal Affairs had confirmed, then they should not be modified. The proposed changes were not equitable, since they would result only in an increase in the number of developing countries affected by that Article. In addition, they would weaken the financial situation of the Organization just as it was finally on the verge of being able both to rely on a sound and solid financial foundation for the conduct of its activities and, thanks to the freedom of manoeuvre it had regained, to reduce its debt dramatically.

7. **Mr. Wins** (Uruguay) expressed support for the majority of the statements made on the issue and, in particular, those made on behalf of the Group of 77 and China and the Rio Group. He wished to draw attention to the consequences of any revision of the procedures for the application of Article 19 that was based on a purely financial view of the problem, without any regard for reality or the repercussions on the United Nations itself. Far from expediting the receipt of contributions and improving the financial situation and functioning of the Organization, such a revision would serve only to reduce the number of countries having the right to vote, and the countries affected would be developing countries. It was not therefore a solution, and it would be particularly inopportune to sow division among Member States at a time when the world needed more than ever a democratic and representative United Nations. His delegation could not support, either now or in the future, a measure that was purely political and lacked any justification from a technical and legal standpoint.

8. **Mr. Sessi** (Chairman of the Committee on Contributions) said that he had taken due note of the views expressed by the members of the Fifth Committee on the possible changes to the procedures for the application of Article 19, specifically the proposal to move to a net-to-net comparison and the proposal to calculate arrears twice each year. Several

members had expressed the view, which had been shared by some members of the Committee on Contributions, that the matter was essentially political and that it was for the General Assembly to decide. However, that was no reason why the Committee should not provide the Assembly with technical advice on the implementation of such a decision.

9. The Committee on Contributions had therefore limited its consideration to the technical and practical implications of the change, particularly in view of the results of its earlier consideration of the matter and the subsequent action by the Assembly. He was very sympathetic to the criticism that had been voiced by the representative of Botswana, but the Committee on Contributions considered that it was important to reflect the history of the subject, even at the price of some repetition.

10. The Committee on Contributions had probably exhausted the technical aspects of the subject and hoped that the results of its work, as reflected in its report, would help the Fifth Committee to reach a decision on the matter. The Committee stood ready to provide the General Assembly with any further technical advice it might need, depending on the nature of the decision reached.

11. On the question of the application of Article 19 to Iraq, that State had requested exemptions in 1995, 1996 and 1999. Members of the Committee on Contributions had been unable to reach agreement on the requests in 1995 and 1996. At its special session in 1999, the Committee had noted that the political aspects of the problem went beyond its role. In addition, as the representative of Iraq had indicated, some members had considered that it might be worth exploring the possibility of meeting Iraq's outstanding assessments from the sale of Iraqi oil. No subsequent action had been taken by the General Assembly on the three requests for exemption.

12. With regard to measures to encourage the timely, full and unconditional payment of assessed contributions, and subject to any guidance by the General Assembly, the Committee on Contributions had decided not to consider further the following solutions that had been proposed: establishment of a new assessed fund, issuance of redeemable certificates, and ineligibility of Member States in arrears for election to certain bodies or restrictions on their opportunities for recruitment and procurement. It had agreed to consider further, in June 2002, the possibility of indexation of or interest on arrears, as well as, at a future date and on the basis of guidance from the General Assembly, early reimbursement of troop-contributing countries and crediting surplus balances only to those Member States that were current with their payments. It also agreed that it could further consider possible incentives for early payment. On all those questions, however, the Committee on Contributions was awaiting clear guidance from the Fifth Committee.

13. The Committee on Contributions had recommended that the General Assembly should take a decision on the question of multi-year payment plans, on the basis of a report which it might wish to request from the Secretary-General.

14. With regard to the methodology for the preparation of future scales of assessment, he recalled the Committee's emphasis on the importance of Member States responding fully and promptly to the national accounts questionnaire so that future scales could be based on the most up-to-date information. He had taken due note of the statement by the representative of Croatia and hoped that all interested delegations would adopt the same positive approach to the issue.

15. In response to the statement by the representative of the United Arab Emirates, the reasons why the Committee on Contributions had been unable to accede to the request of that State were clearly set out in paragraphs 98 to 101 of the Committee's report. The United Arab Emirates should ensure that, during the elaboration of the scale for 2003, the Committee on Contributions received complete and recent information and, if it had not yet done so, it should switch as early as possible to the United Nations System of National Accounts (SNA 1993).

16. Lastly, Kiribati, one of the four Member States that had had arrears dating back to the period before their admission to membership of the United Nations, had now paid the outstanding amount in full.

17. **Mr. Chandra** (India) asked whether his understanding was correct that only 10 countries still remained subject to Article 19.

18. **Mr. Gilpin** (Department of Management) said that, since the outstanding amounts that had been paid by Kiribati were for the period when that State had not

yet become a Member of the Organization, that payment did not affect the number of States that came under Article 19, which stood at 15, four of which benefited from exemptions and 11 had effectively lost the right to vote.

The meeting rose at 10.30 a.m.